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Skimpy, short-term health plans boosted

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The Trump administration issued new insurance rules Wednesday to encourage more Americans to buy inexpensive, skimpy health plans originally designed for short-term use.

The policies will be available for 12 months at a time, up from a current limit of three, and customers will be able to renew them for additional years. The short-term plans do not have to cover preexisting conditions and certain kinds of health care that the Affordable Care Act requires.

The new rules are the second tool the administration has devised lately to foster low-price insurance that circumvents the ACA's coverage requirements and consumer protections. In June, the Labor Department issued rules that will make it easier for small companies to buy a type of insurance known as association health plans and, for the first time, allow them to be sold to people who are self-employed.

The pair of rules carries out an executive order that President Donald Trump signed in October, directing agencies to broaden access to these two small niches in the insurance market to promote “a health-care system that provides high-quality care at affordable prices for the American people.”

In issuing the latest rules with a media blitz, administration officials characterized them as a major step toward fulfilling the president's promise to widen insurance choices. Health and Human Services Secretary Alex Azar made three morning television appearances.

“They may not be the right choice for everybody,” Azar said at an afternoon press briefing. But, he said, “we believe strongly in giving people options here.”

Azar and other federal health officials predicted these short-term, limited-duration plans will appeal mainly to middle-class people who do not qualify for government subsidies for ACA health plans – especially people who are young or healthy. With the law still in place despite Trump's and congressional Republicans' hostility toward it, “we are looking to do everything we can to take incremental steps that will make insurance coverage more affordable,” said Jim Parker, director of HHS's Office of Health Reform.

In the months since the idea surfaced, it has elicited a wall of opposition from the health insurance industry, hospitals, doctors and patient advocacy groups. All have warned that consumers with bare-bones plans would be stranded when they need care - and that the defection of healthy customers from ACA marketplaces would drive up prices for those who remain.

On Wednesday, health policy experts from the conservative Heritage Foundation and libertarian Cato Institute lauded the change.

But Topher Spiro, vice president for health policy at the liberal Center for American Progress, derided the health plans as “junk insurance” and “the Trump University equivalent of health insurance.”

And the American Lung Association's president, Harold Wimmer, said short-term policies provide inadequate coverage for people with diseases such as asthma or lung cancer. “Lung disease patients need access to treatment to be able to breathe,” he said in a statement.

While praising the administration's effort to promote insurance choices, Matt Eyles, president of America's Health Insurance Plans, an industry trade group, said, “We remain concerned that consumers who rely on short-term plans for an extended time period will face high medical bills when they need care that isn't covered or exceed their coverage limits.”

Congressional reaction split along predictable partisan lines, with Republicans cheering on the administration and Senate Minority Leader Chuck Schumer, D-N.Y., vowing, “Democrats will do everything in our power to stop this.”